

GOVERNOR JANET NAPOLITANO
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[EXCERPT ON THE ECONOMY] [

While entrepreneurs have long found success in Arizona, five years ago, our economic development strategy was haphazard and uncoordinated. Too few leaders were thinking beyond the housing economy.

We were making scant efforts to foster businesses in areas where Arizona can lead the world – like solar power, optics, or personalized medicine.

In the past five years, we’ve added more than a half million new jobs. We’ve become a top state in the country for attracting and retaining jobs and companies. We’ve made historic investments in rural economic development – including the important tourism industry – provided tax relief for innovative high-tech companies, increased Arizona’s exports and foreign investment, and retooled the state Department of Commerce to do even more.

And in the last year, we’ve created an entirely new model for guiding economic development efforts in Arizona. The Arizona Economic Resources Organization – AERO – unites the public sector, the private sector, the education community, and the philanthropic community to target economic development efforts in Arizona. Success in the future economy will depend on innovation – so we are being innovative in our own approach.

International trade will be an important part of our economic future. While public debate has focused on illegal immigration, billions of dollars of lawful commerce cross Arizona’s border each year. Right now, delays at the border tie up trade that is vital to Arizona’s well being. I have already named former Congressman Jim Kolbe to head Arizona’s effort to build strong commercial corridors through our state. Today, I have also asked him to update Arizona’s ongoing strategy for improving our ports of entry, so that we can support a system that works for Arizona.

As we take our economic development efforts to the next level, we also have to continue to find ways to maximize our research dollars. We did this together by creating and funding Science Foundation Arizona, which has turned out to be a wise and remarkably effective decision. Science Foundation Arizona’s mission is to meld government, industry and education into a new business model that emphasizes innovation and discovery.

Our investment has already paid us back in breakthroughs.

Science Foundation Arizona has funded significant research, ranging from the development of targeted, personalized cancer treatments, to the creation of a brand-new source of biofuel.



The Foundation's Competitive Advantage Awards program provides seed money for basic research throughout our state. Their grants to programs throughout Arizona last year brought in \$9 in federal funds for every \$1 invested. And the \$25 million you appropriated for this year has been matched by another \$25 million in private dollars. This is an outstanding return on investment, and it's an investment we need to continue.

Switching to personal investments for a moment, let's talk about Arizonans stuck in the subprime-lending debacle.

I have met with the major lenders in our state. We have agreed that buyers should have the chance to work out their loans with lenders and to stay in their homes; yet, they must still meet their obligations to the businesses that lent them money.

Now, it's our job to keep this mess from happening again. To do this, I've created a three-step plan.

First, the Department of Real Estate, at my direction, has created the *Homebuyers' Bill of Rights*. It is available now, on the Web and in print, and it gives homebuyers information about roads, water, police and fire services and more. It's a tool for making educated financial decisions, and it's step one.

For step two, you need to pass the Arizona Home Equity Theft Protection Act, to license "equity purchasers." There are some in this category who prey on vulnerable homeowners and use deceptive practices to cheat them out of their homes. Let's pass the bill and put the bad guys out of work.

The third step is to license loan officers. When an Arizonan sits down to talk about buying a home – usually the biggest investment they'll ever make – the person on the other side of the table should be experienced, educated and ethical. Once they're licensed, that license can be removed for behavior that violates the law or the ethical rules of the profession. Our state's lenders want high standards in their field, so let's work with them and get this done this year.

We will live through this housing-market downturn, and we will mitigate those that come in the future.

[Click here to view the full text of the Governor's 2008 State of the State Address](#)